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Mark David Goss
Chairman

John W. Clay
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Caroline Pitt Clark
Commissioner

September 12, 2007

CERTIFICATE OF SERVICE

RE: Case No. 2007-00368
Magoffin County Water District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on September 12, 2007.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF) CASE NO. 2007-00368
MAGOFFIN COUNTY WATER DISTRICT)

ORDER

On August 13, 2007, Magoffin County Water District ("Magoffin") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Magoffin purchases water from Salyersville Water Works ("Salyersville").
2. Salyersville notified Magoffin that, effective with its August 5, 2007 billing, Salyersville's wholesale water rate to Magoffin would increase for the first 8,000,000 gallons from \$2.30 per 1,000 gallons to \$2.50 per 1,000 gallons and for all usage over 8,000,000 gallons the rate will increase from \$2.45 per 1,000 gallons to \$2.65 per 1,000 gallons.
3. On July 19, 2007, Magoffin's Board of Commissioners voted to adjust Magoffin's general rates for water service to reflect the increase in Salyersville's wholesale rate effective August 5, 2007.
4. During the 12 months ending June 30, 2007, Magoffin purchased a total of 197,152,900 gallons of water and sold 160,915,600 gallons. The increase in the cost of

purchased water is \$39,430.58, resulting in a purchased water adjustment factor of \$0.25 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.25 per 1,000 gallons is fair, just, and reasonable and should be approved.

6. Magoffin misapplied the purchased water adjustment factor to its current rates.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Magoffin are denied.

2. The purchased water adjustment factor of \$0.25 per 1,000 gallons as calculated in Appendix A is approved.

3. The rates in Appendix B, which is attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after August 5, 2007.

4. Within 20 days of the date of this Order, Magoffin shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 12th day of September, 2007.

By the Commission

ATTEST:



Executive Director *for Beth O'Donnell*

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00368 DATED September 12th 2007.

The following rates and charges are prescribed for the customers in the area served by Magoffin County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES AND CHARGES

Residential Rates

5/8"x 3/4" Inch Meter

First	2,000 gallons	\$ 14.72	Minimum bill
Next	3,000 gallons	6.56	per 1,000 gallons
Next	5,000 gallons	6.06	per 1,000 gallons
Over	10,000 gallons	5.56	per 1,000 gallons

1" Inch Meter

First	5,000 gallons	\$ 34.40	Minimum bill
Next	5,000 gallons	6.06	per 1,000 gallons
Over	10,000 gallons	5.56	per 1,000 gallons

Commercial Rates

3/4" Inch Meter

First	3,000 gallons	\$ 26.43	Minimum bill
Next	2,000 gallons	8.46	per 1,000 gallons
Next	5,000 gallons	7.81	per 1,000 gallons
Next	5,000 gallons	7.16	per 1,000 gallons
Over	15,000 gallons	6.86	per 1,000 gallons

1" Inch Meter

First	5,000 gallons	\$ 43.35	Minimum bill
Next	5,000 gallons	7.81	per 1,000 gallons
Next	5,000 gallons	7.16	per 1,000 gallons
Over	15,000 gallons	6.86	per 1,000 gallons

2 Inch Meter

First	15,000 gallons	\$ 118.20	Minimum bill
Over	15,000 gallons	6.86	per 1,000 gallons

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00368 DATED September 12th, 2007

Purchases

		Usage	New Rate	Base Rate
First	8,000,000	96,000,000	\$240,000.00	\$220,800.00
All Over	8,000,000	101,152,900	\$268,055.19	\$247,824.61
	Total	197,152,900	\$508,055.19	\$468,624.61

Increased water cost 39,430.58

Increased water cost	\$ 39,430.58
Divided by gallons sold	<u>160,915,600</u>
Purchased water adjustment factor	\$0.25 per 1,000